CROSS-GOAL STRATEGY ON MANAGEMENT

Measures for Cross-Goal Strategy, Objective 4.1: Maintain and strengthen financial integrity and management and internal controls

	Results								Plan	
	FY 2006		FY 2007		FY 2008		FY 2009		FY 2010	FY 2011
	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Target
4.1.A. Maintain an Unqualified (Clean) Audit Opinion[1]	U	U	U	U	U	U	U	U	U	U
4.1.B. Achieve and Maintain Compliance With the *Federal Information Security Management Act of 2002*[2]	*	NC	NC	NC	C	NC	C	NC	C	C
4.1.C. Percentage of New Discretionary Grants Awarded by June 30[3]	*	40	60	66	70	61	80	36	90	90

U = Unqualified (clean), NC = Non-compliant, C = Compliant.
*New Measures in FY 2007
Sources:
[1]Independent Auditors' annual financial statement audit report and related reports on internal control and compliance with laws and regulations.
[2]U.S. Department of Education, Office of Inspector General, annual *Federal Information Security Management Act* audit.
[3]U.S. Department of Education's Grant Administration and Payment System.

Measure 4.1.A.: Maintain an Unqualified (Clean) Audit Opinion

Analysis of Progress: The Department earned an eighth consecutive unqualified or "clean" audit opinion from independent auditors, thus meeting the FY 2009 target for this measure.

Data Quality and Timeliness: Independent auditors follow professional standards and conduct the audit under the oversight of the Department's Office of Inspector General. There are no data limitations.

Target Context: An unqualified or "clean" opinion means that the Department's financial statements present fairly, in all material respects, the financial position of the Department in conformity with accounting principles generally accepted in the United States.

Measure 4.1.B.: Achieve and Maintain Compliance With the *Federal Information Security Management Act of 2002*

Analysis of Progress: The Department's Office of Inspector General has determined the Department to be noncompliant in fulfilling the requirements of the *Federal Information Security Management Act of 2002* each year since the first evaluation in FY 2003 and this determination means that the Department did not meet its target. The Department is making progress in addressing OIG's concerns, having resolved fully more than 70 percent of the audit recommendations from FY 2005 through 2007.

Data Quality and Timeliness: Pursuant to 44 U.S.C. § 3545, the Department's Office of Inspector General (OIG) annually evaluates the effectiveness of the Department's information security program and practices. The evaluation includes testing of the effectiveness of information security policies, procedures and practices of a representative subset of the agency's information systems, as well as an assessment of compliance with requirements of the *Federal Information Security Management Act of 2002* and related information security policies based upon the testing performed.

Target Context: The Department has made significant progress in addressing OIG's concerns over the years. In instances where OIG has identified areas where improvements were needed, the Department has provided remediation to put in place effective security policies and procedures to protect the Department's IT assets.

Measure 4.1.C.: Percentage of New Discretionary Grants Awarded by June 30

Analysis of Progress: Concerted efforts by Department program managers to award new discretionary grants earlier in the fiscal year resulted in 66 percent of new FY 2007 awards being issued by June 30 of that fiscal year (three-fourths of the year complete). This exceeded the 60 percent FY 2007 target for this measure. In the previous four fiscal years, no more than 49 percent of new discretionary grants had been awarded by June 30. In FY 2008, the ambitious 70 percent target was not achieved by June 30, but the 61 percent award rate far exceeded the rates prior to FY 2007. In FY 2009, factors lowering the percentage were the addition of the *Recovery Act* funding administered by the same personnel as the Department grants, presidential transition and budgetary considerations associated with operation under a continuing resolution for the first quarter and part of the second quarter of FY 2009. Despite the percentage of grant awards at the June 30 mark, by August 31, 78 percent of discretionary grants were awarded, compared with 82 percent in FY 2008.

Data Quality and Timeliness: The Department's Office of the Chief Financial Officer regularly collects data via the Grant Administration and Payment System from principal offices with responsibilities for directing discretionary grant programs. During the second half of the fiscal year, data are distributed frequently to senior Department officials to ensure that planned award deadlines are met successfully.

Target Context: The Department has made a concerted effort in the past three years to expedite the processing of new discretionary grant awards. The Department aims to streamline the process further in future years to enable program staff to spend more time on program monitoring and performance improvements. The 2006 actual data served as the baseline for this measure.

Measures for Cross-Goal Strategy, Objective 4.2: Improve the strategic management of the Department's human capital

	Results								Plan	
	(Years***)		FY 2007[2]		FY 2008[1]		FY 2009[2]		FY 2010	FY 2011
	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Target
Percentage of Employees Believing That:										
4.2.A. *Leaders Generate High Levels of Motivation and Commitment**	(2006[1])	28	31	37	34	33	40	37	43	46
4.2.B. *Managers Review and Evaluate the Organization's Progress Towards Meeting Its Goals and Objectives**	(2006)	53	56	58	59	56	68	51	71	74
4.2.C. *Steps Are Taken to Deal With a Poor Performer Who Cannot or Will Not Improve**	(2006)	25	28	29	31	28	34	26	37	40
4.2.D. *Department Policies and Programs Promote Diversity in the Workplace**	(2006)	46	49	48	52	51	56	48	59	62
4.2.E. *They Are Held Accountable for Achieving Results**	(2006)	81	82	82	83	84	85	84	86	87
4.2.F. *The Workforce Has the Job-Relevant Knowledge and Skills Necessary to Accomplish Organizational Goals**	(2006)	67	69	70	71	70	72	68	74	76
4.2.G. Average Number of Days to Hire Is at or Below the OPM 45-Day Hiring Model for Non-SES**	(2006)	Not Achieved	Achieved	Achieved	Achieved	Achieved	Achieved	Achieved	Achieved	Achieved
4.2.H. Percentage of Employees With Performance Standards in Place Within 30 Days of Start of Current Rating Cycle[3]	(2005)	79	85	59	90	93	95	95	97	98

	Results								Plan	
	(Years***)		FY 2007[2]		FY 2008[1]		FY 2009[2]		FY 2010	FY 2011
	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Target
4.2.I. Percentage of Employees Who Have Ratings of Record in the System Within 30 Days of Close of Rating Cycle[4]	(2005)	85	90	97	95	98	99	96	100	100

*These metrics are based on the percentage of favorable response to questions on the Federal Human Capital Survey and the Department's Annual Employee Survey. The Department's 2006 responses (Departmentwide) are used as the baseline.
**The Office of Personnel Management 45-day hiring model for non-SES tracks the hiring process from the date of vacancy announcement closing to the date a job offer is extended. It is measured in workdays, not calendar days. The average is based on the total number of hires made within a specified period of time (quarterly).
***Years indicates the years that baseline target was established.
Sources:
[1]Federal Human Capital Survey.
[2]Annual Department Employee Surveys.
[3]Data from the Education Department Performance Appraisal System.
[4]U.S. Department of the Interior's Federal Personnel Payroll System.

Measures 4.2.A.–4.2.F: Improve the Strategic Management of the Department's Human Capital

Analysis of Progress: Department employees indicated slightly lower agreement with four of the six measure statements in the 2009 Annual Employee Survey than they had in the 2008 Federal Human Capital Survey. Targets for two measures were met and progress for one measure was missed but the result remained the same as in 2008.

Data Quality and Timeliness: The 84-item Federal Human Capital Survey is conducted in even-numbered years by the Office of Personnel Management (OPM); in 2008, the Department of Education had a 69 percent response rate. In odd-numbered years, the Department conducts the Annual Employee Survey with 56 items duplicated exactly from the biennial federal survey, plus additional agency-specific items can be added. The 2009 survey had 87 items including first-time questions related to two Department-level programs—the Equal Employment Opportunity Program and the Informal Dispute Resolution Center. In 2009, the response rate for the Annual Employee Survey was 61 percent, which indicates a high level of employee engagement according to the Hay Group and the Partnership for Public Service. The six survey items included among the measures are present on both surveys and were selected by the Department in consultation with OPM as major qualitative indicators of employee satisfaction. For more information on 2008 Federal Human Capital Survey or the 2009 Annual Employee Survey, go to http://www.ed.gov/about/reports/annual/otherplanrpts.html.

Target Context: The targets and data above reflect the percentage of favorable responses (either "strongly agree" or "agree") to the selected items on the employee surveys. The Department used 2006 Federal Human Capital Survey data to establish baselines for the above measures.

Measure 4.2.G.: Average Number of Days to Hire Is at or Below the OPM 45-Day Hiring Model for Non-SES

Analysis of Progress: The Department met the goal of the OPM hiring model: in 2007, with an average hiring time of 27 business days; in 2008, with a revised average hiring time of 28 business days; and in 2009, with an average hiring time of 26 business days. In 2008, the Department restructured the Human Resources Services (HRS) office, which enabled additional resources to focus on improving the staffing process. Improved interaction over time between the Human Resources Specialists and principal office managers is also credited with enabling hiring process improvements. Furthermore, HRS tracks the hiring

cycles for each principal office and provides them with monthly reports on hiring progress. These actions provide continual incentives to shorten the hiring process.

Data Quality and Timeliness: For this measure, the Department tracks progress against the 45-day hiring model for positions other than the Senior Executive Service. The model tracks the hiring process from the closing date of the vacancy announcement to the date a job offer is extended. It is measured in business days rather than calendar days and is calculated quarterly based on an average process length of all hires completed within that quarter.

Target Context: When the Department's revised strategic plan was being developed, the median of the average hiring time for the four most recent quarters then known (July 2005 through June 2006) was 54 days. This data point was used to establish the 2006 baseline for this measure, which indicated that the Department had not achieved the standard.

Measure 4.2.H.: Percentage of Employees With Performance Standards in Place Within 30 Days of Start of Current Rating Cycle

Analysis of Progress: The FY 2009 target was met. After an unexpected decline in 2007 that fell well short of the target percentage, the Department rebounded to exceed an even higher target in 2008 and held steady in FY 2009. The inclusion of this measure as a component in the Organizational Assessment rating for each principal office beginning in 2007, which first affected this measure for 2008, likely provided an incentive toward timely completion of performance standards.

Data Quality and Timeliness: To be considered successful on this measure, a Department employee or his or her supervisor must establish performance standards that align with the *Strategic Plan* and are approved by the supervisor. These standards must be entered no more than 30 days into the fiscal year covered by the measure. SES employees are not included in this measure. Effective October 1, 2007, the 12-month period on which employee performance is assessed aligns with the federal fiscal year.

Target Context: This measure was a component of measure 6.2.A. from the Department's previous *Strategic Plan*, which comprised an index of Department human capital activities and was measured in FY 2005 through FY 2007. The 2005 actual data served as the baseline for this measure.

Measure 4.2.I.: Percentage of Employees Who Have Ratings of Record in the System Within 30 Days of Close of Rating Cycle

Analysis of Progress: The FY 2009 target was not met. The FY 2008 target was exceeded. After an unexpected decline to 54 percent in 2006 that fell well short of expectations (see Target Context), the Department rebounded to exceed the measure's target in 2007. The inclusion of this measure as a component in the Organizational Assessment rating for each principal office beginning in 2007 likely provided an incentive toward timely completion of ratings.

Data Quality and Timeliness: To be considered successful on this measure, an employee rating of the level of success achieved on established performance standards must be entered no more than 30 days after the fiscal year covered by the measure. SES employees are not included in this measure. Effective October 1, 2007, the 12-month period on which employee performance is assessed aligns with the federal fiscal year.

Target Context: This measure was a component of measure 6.2.A. from the Department's previous *Strategic Plan*, which comprised an index of Department human capital activities and was measured in FY 2005 through FY 2007. The 2005 actual data served as the baseline for this measure.

Measures for Cross-Goal Strategy, Objective 3: Achieve budget and performance integration to link funding decisions to results

	Results								Plan	
	FY 2006		FY 2007		FY 2008		FY 2009		FY 2010	FY 2011
	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Target
4.3.A. Percentage of Department Program Dollars in Programs That Demonstrate Effectiveness in Terms of Outcomes, Either on Performance Indicators or through Rigorous Evaluations	79	86	79	86	86	88	86	88	87*	88*

*Pending Office of Management and Budget action on program performance ratings.
Source: U.S. Department of Education, analysis of Program Assessment Rating Tool findings.

Analysis of Progress: As of October 2008, 91 funded Department programs had undergone a Program Assessment Rating Tool (PART) review, representing 98 percent of the Department's FY 2008 budget authority for programs subject to the PART. Although 45 currently funded programs (constituting 88 percent of this budget authority) were rated *Adequate* or higher in their PART reviews, enabling the Department to exceed its target for FY 2008, four programs were rated *Ineffective* and 42 programs were rated *Results Not Demonstrated.*

Data Quality and Timeliness: Calculation is based on dollars in Department programs with at least an *Adequate* PART rating in the given year divided by dollars in all Department programs rated through that year. The PART assessment cycle occurs during the spring and summer and OMB makes scores public via http://www.expectmore.gov. OMB allows the Department to report aggregated results from a year's assessments in time for publication in that year's *Performance and Accountability Report.*

Target Context: The Department determines the measure of effectiveness from the proportion of FY 2009 PART-eligible program budget authority that supports programs with an *Adequate* or higher rating from the PART analysis. This standard is used because such programs produce evidence of effectiveness with data from performance measures and rigorous program evaluations, unlike programs that have insufficient performance or evaluation data or for which data indicate ineffectiveness. The rationale for the target remaining steady for FY 2009 compared with the two previous years is that nearly all program dollars subject to PART have been rated and subsequent changes will likely be incremental based upon selected program reassessments. The PART process is currently under governmentwide review and subject to possible revisions during FY 2010.